

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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September 6, 2006

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

**SUBJECT: STAGE 1 CHILD CARE CONTRACT - STATUS REPORT
(BOARD ORDER SYN. #45 - DECEMBER 1, 1998)**

In response to your Board's December 1, 1998 order, this is the semi-annual Stage 1 Child Care contract evaluation report for January – June 2006 services. Statistical data has been updated to reflect the 13 contractors' performance of services under the contract for the first six months of 2006.

Collocation Staff: Contractor staff collocated at our CalWORKs and GAIN Regional offices continue to provide expedited referrals and child care authorizations to all CalWORKs participants seeking Child Care Services.

Average Number of Cases Served: For the period January - June 2006, the average number of cases receiving Stage 1 Child Care Services was 11,666 cases per month. This is a decrease of 132 cases from the July - December 2005 average of 11,798. (Attachment I)

Average Number of Children Served: The monthly average number of children served in Stage 1 during the period was 16,455 compared to 17,401 during the previous six months, a decrease of 946 children. (Attachment II)

Complaints: During this reporting period, there was a decrease in the number of child care complaints received, with an average of 12 calls per month compared to 20 calls per month in the previous reporting period. The average monthly complaints continue to be less than one percent of the average monthly caseload.

Monitoring: DPSS continues to monitor the agencies closely by conducting on-site case reviews to confirm that contractors adhere to contract provisions for time limits for making referrals, authorizing child care, and issuing timely and correct child care provider payments. Other areas reviewed by DPSS include case record documentation and meeting the language requirements mandated for agencies' staff. DPSS initiated fiscal assessments on two agencies that exceeded the error threshold during the most recent review quarter. DPSS found the services of the other eleven contractors to be satisfactory.

Staff Turnover: Staff turnover rate during this period increased to 12 percent from the last six months' rate of 11 percent. Two of the 13 agencies increased the number of staff working on Stage 1 Child Care Services, while seven of the contractors decreased staff between January - June 2006. The decrease in staff has remained consistent with the declining caseload. Participant services have not been impacted.

Fraud Prevention: DPSS has in concert with the Auditor-Controller hired an independent auditor to review the contractors' payment systems to ensure program integrity. DPSS has received final reports on 11 of the 13 agencies and the agencies have submitted corrective action plans. The remaining two final reports will be released in mid-September. At the end of a 120 day implementation period, the independent auditor will conduct a review of the execution of the corrective action plans as part of the fourth phase of this project.

Furthermore, as a result of the recommendations made in the recent Civil Grand Jury report, the new Stage One Child Care contract will incorporate new fraud prevention measures including a requirement that the APPs accept only original documents for verification purposes. Also, there is a new requirement that the APPs mail Employment and Training Verification forms directly to the employer/trainer rather than handing forms to participants to have them completed.

DPSS will be conducting a pilot project to determine the feasibility of conducting site inspections to verify that child care is being provided.

BY:mth

Attachments

- c: Chief Administrative Officer
- County Counsel
- Executive Officer, Board of Supervisors
- Auditor-Controller
- Child Care Planning Committee

NUMBER OF CHILD CARE CASES SERVED/PAYMENTS

The following chart reflects the combined number of Stage 1 Child Care authorizations and Enhanced Referrals processed by the Alternative Payment Program agencies and the authorized amount of Stage 1 Child Care payments issued.

ALTERNATIVE PAYMENT PROGRAM AGENCY	CASES RECEIVING CHILD CARE ASSISTANCE AND ENHANCED REFERRALS January-June 2006 (1)	AUTHORIZED AMOUNT OF PROVIDER PAYMENTS (2)
Center for Community and Family Services	7,213	\$5,944,121.20
Pathways	3,483	\$2,350,571.94
Child Care Information Service	1,990	\$1,404,536.28
Child Care Resource Center	13,116	\$10,387,388.22
Children's Home Society	6,356	\$4,911,648.13
City of Norwalk	973	\$642,556.95
Connections for Children	1,086	\$766,590.40
Crystal Stairs, Inc.	17,882	\$14,032,785.28
Drew Child Development Corporation	4,380	\$3,914,666.70
International Institute of Los Angeles	789	\$517,119.79
Mexican-American Opportunity Foundation	5,716	\$4,419,216.78
Options	3,967	\$2,875,253.59
Pomona Unified School District	3,043	\$2,664,495.55
TOTALS:	69,994	\$54,830,950.91
Monthly Average:	11,666	\$9,138,491.82

NUMBER OF CHILDREN SERVED

The following chart reflects the average number of children by age category who have received child care services per month, during the initial six months of calendar year 2006, by each of the Alternative Payment Program agencies.

The total average number of children serviced during this period decreased by 946.

ALTERNATIVE PAYMENT PROGRAM AGENCY	CHILDREN'S AGES							
	UNDER ONE	1	2	3-4	5-10	11-12	13-18	TOTAL
Center for Community and Family Services	80	199	218	411	721	156	15	1,800
Child Care Information Service	21	54	73	98	169	29	3	447
Child Care Resource Center	131	362	378	709	1,258	244	31	3,113
Children's Home Society	29	132	150	300	526	120	14	1,271
City of Norwalk	6	20	24	51	115	21	1	238
Connections for Children	11	24	35	58	81	20	2	231
Crystal Stairs, Inc.	126	396	536	959	1,675	374	39	4,105
Drew Child Development Corporation	47	131	158	261	476	98	10	1,181
International Institute of Los Angeles	8	18	26	37	74	18	3	184
Mexican-American Opportunity Foundation	51	150	179	340	668	129	8	1,525
Options	29	83	106	207	371	64	7	867
Pathways	24	75	93	178	317	69	10	766
Pomona Unified School District	19	80	84	179	297	63	5	727
TOTALS:	582	1,724	2,060	3,788	6,748	1,405	148	16,455